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It was further confirmed that statistical theory cannot assign weights purely according to mathematical formulas without harm to its practical objectives. This method renders statistical indexes and methods barren of economic significance.

All elements of general statistical theory should be exploited, but there should be no place for mathematical formalism. It is not possible to verify the congruence of economic hypotheses and statistical results by mathematical methods, although it is possible by these methods to process concrete numerical data and analyze a variety of relationships. Mathematics, then, is only an aid in obtaining data needed for economic research.

One of the serious lacunae in theoretical work in statistics is the absence of a differentiated approach to the application of statistics in management. Statistics, nevertheless, is a tool of planning, especially under conditions of mass production in agriculture and industry. Statistics is of prime importance to planned management, both in the preparation of material for setting up the plan and in the control of its execution.

In accordance with practical assumptions formulated by Lenin and Stalin, who indicated the enormous significance of statistics in the actual building of socialism, the backwardness of theoretical statisticians in relation to practical needs must be overcome. Statistical theory and methods of research must be improved. There must be further differentiation in statistical science in such a way that general economic statistical theory will be based on political economics and not on mathematics, with the latter performing an auxiliary function in economic analysis. Development of planned socialist economy in the USSR presents new problems in theoretical and applied statistics requiring new methods of collecting, processing, and analyzing statistical data. The essence of these new problems is defined by the character of Soviet economy, which requires an organized method of statistical reporting as one of the most important instruments of planned management.

Also emphasized was the difference in theoretical assumptions in Soviet statistics as compared to statistics of capitalist countries. Capitalist economic statistics, like all branches of capitalist political economy, is characterized by formal logic and the creation of an abstract mathematical structure which substitutes functional analysis for causal analysis. It is pragmatic and contradicts economic theory. In capitalist statistics, mathematical formulas are given preponderant weight to conceal the true essence of capitalist operation and to create a false picture of capitalist economy. By arbitrary application of complicated mathematical techniques to primary statistical data, capitalists try to present the development of capitalism as a change in the level of various index numbers and thus hide capitalist crises of overproduction. Capitalist distortion of statistics is particularly evident in the statistics on employment, unemployment, and wages. No less distorted are statistics on national income in capitalist countries. A subjective method of calculation is applied. The distribution of national income is computed not, according to its derivation by classes, but, as a rule, by a faulty grouping of incomes according to size. Such classification hides the class contradictions of capitalism, inasmuch as incomes of various social classes fall in the same group. Changes in national income, figured in terms of base year prices, is falsified by the application of various price indexes (wholesale, retail) and cost-of-living indexes, which completely distort reality.

At present one of the most important tasks of Soviet statisticians is to unmask the methods of capitalist statistics. However, along this line some Soviet statisticians have gotten on the wrong track in working out a so-called general theory of statistics, which is a conglomeration of branches of mathematical statistics, the theory of probability, economic statistics, and empirical methods of calculation. Disciples of this non-Marxist movement in

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statistics are studying the congruence of economic laws by quantitative methods exclusively and are neglecting political and economic qualitative analysis.

The shortcomings of certain Soviet statistical theorists are very evident in the working out of methods for statistical reporting. In Soviet statistical literature there is not one monograph devoted to this problem. Nor is there a monograph on the general function of state banks in organizing a method of control for apportioning production and consumption in the socialist community. There is no theoretical work on a system of accounting based on statistical organization.

Attention was called to the practice of making collected statistical data unavailable for further study. Enormous practical achievements in national statistics in many instances are not available for theoretical analysis. Special surveys of the USSR (not identified), made at irregular intervals, have not received theoretical study for an analysis of practical conclusions. The Soviet state and various agencies collect a large quantity of material reflecting the life of the nation. These statistical materials contain much information, but in practice barely a small portion is exploited since the problem of intensive research with selected data has not been solved, just as sampling theory has not been sufficiently developed in the field of economic statistics, especially in relation to the requirements of economic planning on a national scale. A correct application of the above materials would permit multiplying the quantity of available data and verifying the results obtained through normal statistical channels.

A point which received much emphasis was that during the building of the socialist state statistical theory must find distinctive methods of research in economic activity for individual areas and enterprises. This problem is related to the problem of classification and nomenclature. A method of classification has not yet been worked out which would disclose the reserves and resources of the socialist economy.

In the immediate future, the following problems in Soviet statistics are to receive attention:

1. Collection and collation of statistical data for estimates on economic plans and for control of performance.
2. A statistical method for verifying the execution of the plan and for disclosing economic reserves.
3. Application of statistical methods to determine the regularity of occurrence of phenomena, to establish relationships in socialist production, and to equilibrate components of the national economy.

In connection with the above problems, Soviet statisticians must study the following:

- a. The entire process of socialist production, with extended application of index numbers to planning and to balancing the national economy, both in the aggregate and according to area breakdowns.
- b. Extended application of mutually related indexes of production and distribution.
- c. Extended application of mutually related indexes for socialized enterprises and planning.
- d. Methodology on indexes of population movements, use of available manpower, and existence of manpower reserves in the national economy

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- e. Technical and economic indexes.
- f. Indexes of consumption for the masses.

In addition, there is need for critical analysis of capitalist statistical methods.

Statistical study must be intensified in all higher educational institutions in the field of economics. The curriculum must be revised to eliminate formalism. The most immediate problem is to work out general and specialized handbooks on economic statistics on a high theoretical plane.

All conclusions of this meeting should be carefully analyzed by statistical institutions and publishing agencies in Poland. The primary purpose of such study is to determine to what extent these principles are applied in practice. Accordingly, they must give attention to the following:

1. The intimate relation between statistics and the economic life of the nation.
2. Subordination of methods based on mathematical formulas to practical considerations.
3. Arrangement of problems in the order of their importance.

A study of this nature is now being conducted at the Baltic Institute.

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